

### **Attachment 3: DFAS Director Certification Letter**

Effective with the preparation of the 2nd quarter, FY 2005 financial statements, Business Line Executives (BLE) will send their certification letters directly to their clients. This process improvement will eliminate the redundant process of DFAS Arlington preparing letters for the same purpose.

The BLE will remain responsible for loading a copy of their signed certification letter to the eportal. This information supports the Agency Wide certification letter that is sent to OUSD(C).

The certification letter directly supports the DFAS Director's letter that he provides to your clients and offers assurance that, with the exception of the noted material weaknesses, your client's financial records are accurately reflected in their financial statements and footnotes. As a result, your certification letter should be tailored towards the below example.

### **Attachment 3: DFAS Director Certification Letter**

#### **MEMORANDUM FOR DIRECTOR FOR ACCOUNTING, DEFENSE FINANCE AND ACCOUNTING SERVICE ARLINGTON**

**SUBJECT: FY 2005 (name the Service or Agency) Unaudited Financial Statements**

In accordance with your instructions, the (name the Service or Agency) Unaudited Financial Statements are submitted. The following validates that submission.

“I hereby certify that the submitted FY 2005 Unaudited Financial Statements for (name the Service or Agency) are supported by certified trial balances, certified feeder reports, or other certified information provided to, or maintained by the Defense Finance and Accounting Service (your Center). The FY 2005 (name the Service or Agency) Unaudited Financial Statements are the correct consolidation of such supporting information, subject to the following deficiencies that have contributed to a disclaimer opinion issued by auditors in prior years on the financial statements of the (name the Service or Agency). These deficiencies remain for the current year’s statements. Any adjustments made by (your Center) are fully documented”.

- a. Financial and nonfinancial feeder systems do not contain an adequate audit trail for the proprietary and budgetary accounts.
- b. DFAS cannot accurately identify all intergovernmental transactions by customer, which is required for eliminations when preparing consolidated financial statements.
- c. Inventories held for sale, and Operating Materials and Supplies (OM&S) are not reflected at historical cost.
- d. The problem disbursements and in-transit disbursements that have been reported by a disbursing station to the Department of Treasury have not been precisely matched against specific source obligations. This condition adversely affects the Balance Sheet line item for Fund Balance with Treasury.
- e. Adjustments for undistributed disbursements and collections are not supported at the detail level, which precludes expressing an opinion on accounts payable and accounts receivable.

Should you have any questions or concerns, please contact my POC for the subject financial statements \_\_\_\_\_. She/he may be reached at \_\_\_\_\_ or DSN \_\_\_\_\_.

**Center Director’s name**  
**Title**